

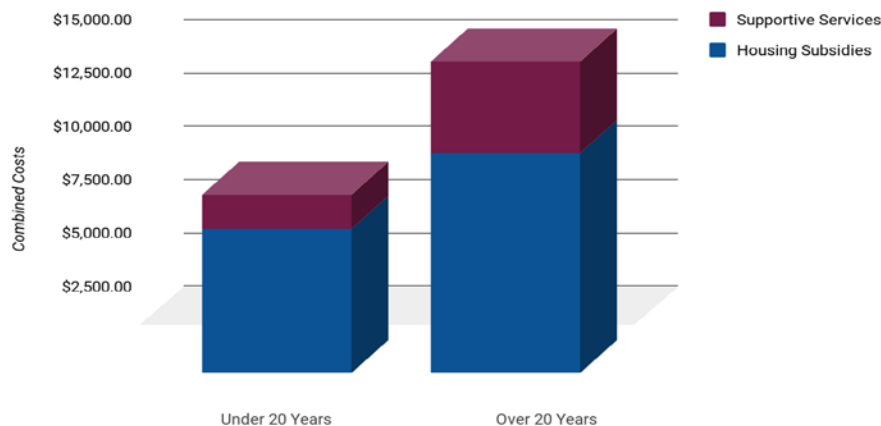
The Costs of Inclusive Housing and Supportive Services for Former Long Term Stayers

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Executive Summary

Danforth on High is an Inclusive Housing project located in downtown Portland, Maine. It was developed and is owned by Community Housing of Maine (CHOM) which has worked diligently, along with the city of Portland's Oxford Street Shelter to house Long Term Stayers. As an Inclusive Housing model, the building contains 30 units, half of which are permanent supportive housing occupied by former Long Term Stayers (LTS). While previous research has been done comparing the costs of services before and after homelessness, the purpose of this research is to simply look at the costs after a person is housed, with a focus on how the duration of homelessness effects cost. In order to obtain the cost of housing a Long Term Stayer, the rent subsidy and the cost of outreach/supportive services was added together for each individual person. On average, in this housing model, the average combined cost (rental subsidies and supportive services) is \$10,887.10 per year. The research also revealed a correlation between the number of years a person was homeless over the course of their lifetime, and the cost to house and support the person. For people who experienced homelessness for twenty or more years, the average cost was \$14,574.07. For people with less than twenty years of homelessness the average cost was \$8,306.18.

Cost Average Based on Years of Homelessness



Tenant Quotes

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When recalling staying at the shelter, "How the hell did I end up there? Sometimes I just wanted to cry."

"It's nice having a roof over my head."

"I have good relations with my neighbors and enjoy living here a lot."

"I like this place - helped me to realize I deserve to have a good place to stay instead of sleeping on the streets."

"I like having my own bed rather than sharing it with a room full of people who snore."

"I'm appreciative."

"It's nice having a refrigerator and cupboard so you don't have to carry your food on your back all day."

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Background

For many people, Portland, Maine is a small, peaceful city that in the summer becomes a popular tourist destination. For others, Portland is a place to call home throughout the year. The population in 2017 is estimated to be 67,076.¹

However, for a portion of those people, life here isn't exactly peaceful. For those experiencing homelessness, especially people who have been doing so for most of their lives, life here can be



slightly chaotic. On January 24, 2017, the annual Point in Time (PIT) survey found that there were 527 homeless individuals within the city, 474 staying in shelters, and 53 unsheltered.² For the entire state of Maine, the annual 2017 Fiscal Year Statistics (7/1/2016-6/30/2017) found that there were 6,373 clients which is a 9% reduction from the previous year. Furthermore, there was a 21% decrease in the average length of stay from 2016 to 2017. LTS currently represent 1.6% of the homeless population, which has dropped from 5% in 2013. More specifically, the city of Portland contains 60% of the LTS in the state, with 50 individuals in 2017, down from 55 in 2016.³

These decreases are in part related to the Long Term Stayers Initiative that the state of Maine began in 2013, and the Oxford Street Shelter honed in on it in 2014.⁴ Because the definition of chronic homelessness is constricting, the state adopted the term Long Term Stayers, which is defined as an individual that has experienced homelessness (in a shelter or outside) for 180 days or more within a 365 day period.⁵ While most people tend to pass through a shelter rather quickly (with 80% staying less than two months), Long Term Stayers not only stay longer, but are the most costly for the systems of care (shelters, jails, hospitals, etc.). Due to the conditions of homelessness, in addition to individual risk factors, the problem of the chronicity of homelessness arises. Cuevas, Loya and Nino (2010) found that those caught in a pattern of chronic homelessness tend to suffer more from alcohol and substance abuse, and struggle with mental illness, often co-occurring. Additionally, “the number of chronically homeless suggests services designed for the homeless population may be ineffective or in fact may enable some to remain on the streets or in shelters for extended periods of time and allowing a level of functioning that may promote complacency among the chronically homeless.”⁶ Some of the people who have stayed at the Oxford Street Shelter in Portland have been homeless for 20-30 years, for some representing half of their lives or more.



In order to break this cyclical effect, many shelters and cities have implemented “Housing First” strategies, Portland being one of them. The basic strategy of Housing First is exactly as it sounds – provide housing for the most vulnerable individuals experiencing homelessness as quickly as possible and then follow with supportive services. As studies as shown and HUD states, “Everyone is ‘housing ready’...Sobriety, compliance in treatment, or even criminal histories are not necessary to succeed in housing.” Additionally, quality of life improves, people are able to better work towards sobriety, mental health improves, and chances of employment are higher.

Because of these improvements, it is actually substantially less expensive to house someone, especially a Long Term Stayer or someone who has experienced chronic homelessness, than it is to have them languish in homelessness.⁷

Many studies have been conducted revealing these cost savings. Three years ago, Adam Cohen, a University of Pennsylvania student who interned for CHOM during the summer of 2014, conducted a cost saving study at the same property, Danforth on High, with some of the same tenants that this research studied. He found that the Inclusive Housing model produced an average annual cost savings of \$5,853.86 per person.⁸ The research entailed comparing the cost of housing (subsidies vs shelter bed nights), emergency services (police, fire, Medcu, emergency shelter), hospitalizations (including psychiatric), jail time, and detox services for the year before and year after Long Term Stayers were housed.

The results showed significant cost savings as well as a great improvement in the quality of life. For example, it was found that with the population Mr. Cohen researched, the total cost of housing and emergency services were reduced by 28%, the total cost of ambulance, police, and jail services by 82%, and the cost of emergency health care, detoxification services, and mental health care by 47% (when compared as the year before and year after housing). In terms of the quality of life, 78% felt safer, felt that they had a stable place to call home, and had a sense of pride in their housing. In his conclusions, Mr. Cohen stated that “Inclusive Housing appears to be an effective tool for ending Long Term Homelessness,” not only because of the cost savings it produced, but because it allows for individuals to lead better lives.⁸

Introduction

CHOM is a 501(c)(3) non-profit Charitable Organization that advocates for, supports, and houses vulnerable populations across the state of Maine. CHOM currently owns 75 housing sites, Danforth on High being one of them. Danforth on High is a unique, Inclusive Housing model with 30 units for seniors (55 and older). When the



property first opened, it housed eleven Long Term Stayers, and today that number has increased to fifteen. Inclusive Housing allows for people who have experienced homelessness to become part of the community, can help erase some of the stigma around homelessness, and allows for existing support services to continue working with individuals rather than having to establish a whole new system within a building.

Population

Of the 15 Long Term Stayers in the building, 10 people agreed to participate in the research. These 10 individuals had all been housed at Danforth on High for at least a year, and had all been homeless for at least 180 days of the year prior to their move in. Out of the ten, there were three women and seven men, ranging in age from 60-68. Some people had been there for only one year, while others had been there since the building opened, about four years prior.

Range of Homelessness Experienced: 1-31 years

Total years of all 10 people: 133 years

Average number of years per person: 13.3

Purpose and Methodology

While previous research was conducted at Danforth on High to determine the cost savings and effectiveness of the Inclusive Housing model, the goal of this research had two main questions:

- 1) What is the cost of supportive housing?
- 2) Is the cost affected by the number of years a person was homeless in their lifetime?

First, release forms were signed from individuals consenting to take part in the research and interview process. Initially, questionnaires were used to determine how long each person had been homeless, what types of services (such as shelter, emergency, and supportive) they had or were still utilizing, as well as a survey regarding their quality of life. Follow-up interviews were conducted on several occasions to get release forms resigned, to ask more specific, personal questions about the exact length of homelessness, and to talk about how often they received outreach or sought additional support.

Next, information regarding the salaries and costs of supportive services was calculated and gathered. For each individual, the cost of their specific support was calculated on a yearly basis, plus their housing subsidy.

Calculations for services were done in a number of ways:

1. Individual self-reporting of who they worked with and how often;
2. Records previously collected regarding costs of services;
3. Organizations that had worked with some of the individuals; and
4. Researching the average salary for a caseworker from certain organizations in Portland and Maine (see table 1).

Rent calculations were done using the rent roll provided by Community Housing of Maine and the individuals' monthly subsidies.

Example calculation: Tenant 1 sees a caseworker from Preble Street once a month and the average wage there is \$15.91 an hour. Assuming the appointment is an hour: $\$15.91 \times 12$ (months) = \$190.92 annually.

This tenant receives a housing subsidy of \$445 a month $\times 12 = \$5,340$ annually.

$\$190.92 + \$5,340 = \$5,530.92$.

Purpose and Methodology

Table 1.
Supportive Services and Approximate Costs

Organization/Service	Cost ⁹
Assertive Community Treatment (ACT) Team and Targeted Case Management	ACT: \$58.09 Targeted Case Management: Varies per client and per incident
Maine Behavioral Health (Psychiatric Nurse Practitioner)	\$48/hour
Maine Veterans Affairs (caseworker)	\$37/hour
Milestone Foundation	Detox: \$23.70 per bed, \$55.17 SAMSHA, \$210 detox program. Home Team (rides home): \$72/hour
Oxford Street Shelter (outreach)	\$20/hour
Preble Street Resource Center (caseworker)	\$15.91/hour

Examining the cost of Inclusive Housing, including the cost of support services, for Long Term Stayers, while considering the length of homelessness for each individual, could provide a more comprehensive view of the relationship between being homeless and the related costs after housing, as well as an incentive to house individuals quickly.

Ultimately, further questions that can be answered by this research are:

- 1) Is housing people really as costly as people think it is?
- 2) How much support do people really need? Who needs more or less?
- 3) Can helping individuals in getting out of homelessness sooner rather than later save costs?

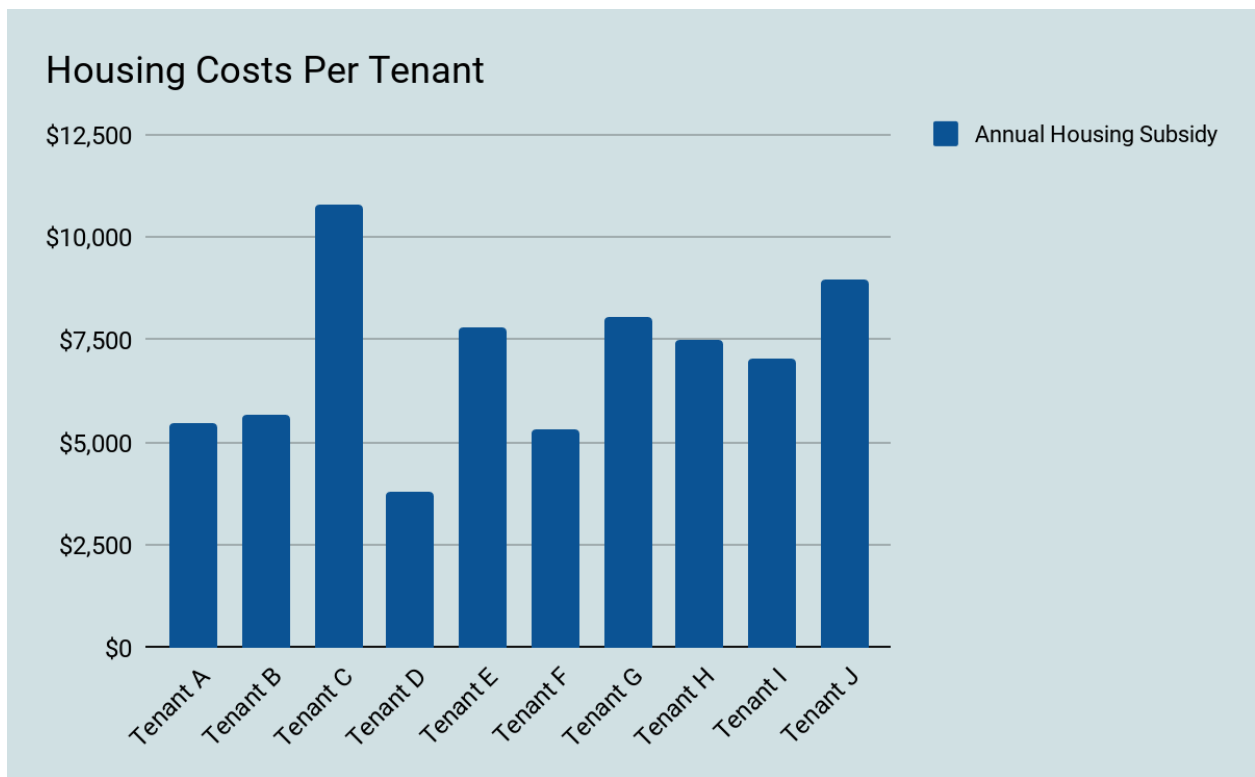
Results

To maintain confidentiality for the ten former Long Term Stayers, they will be referred to as Tenant A, B, C, etc. In order to better understand the results, please refer to Table 1 below. The Tenants have been listed in order of their history of homelessness, shortest to longest in duration.

Former Long Term Stayers	Number of Years Homeless*
Tenant A	1
Tenant B	1 year, 3 months
Tenant C	2
Tenant D	3
Tenant E	5
Tenant F	20
Tenant G	20
Tenant H	20
Tenant I	30
Tenant J	31

*For some, not all the years were consecutive, rather off and on over that period of time.

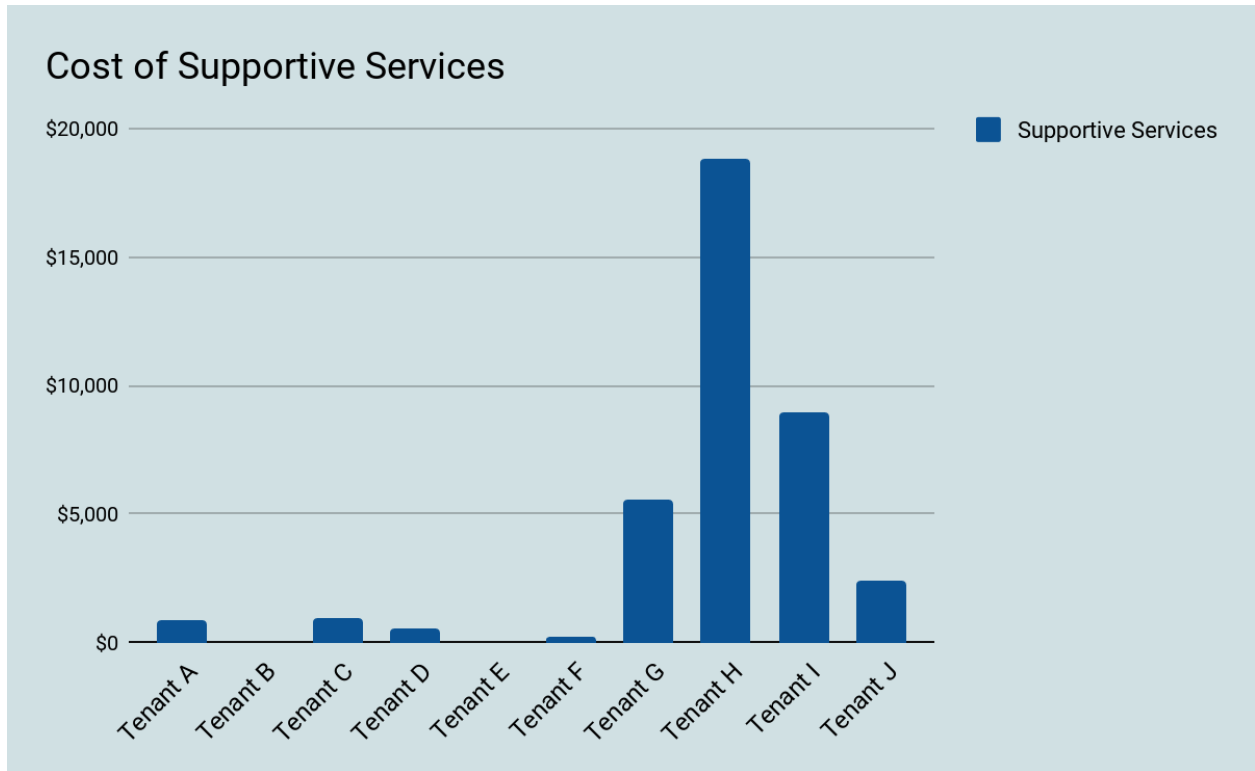
Results



Part I - The Subsidies

- The average annual cost of a housing subsidy for all former 10 Long Term Stayers is \$7,051.20.
- For Tenants A-E that have less than 20 years of homelessness, the average annual housing cost is \$6,715.20.
- For Tenants F-J that have more than 20 years of homelessness, the average annual housing cost is \$7,477.20.

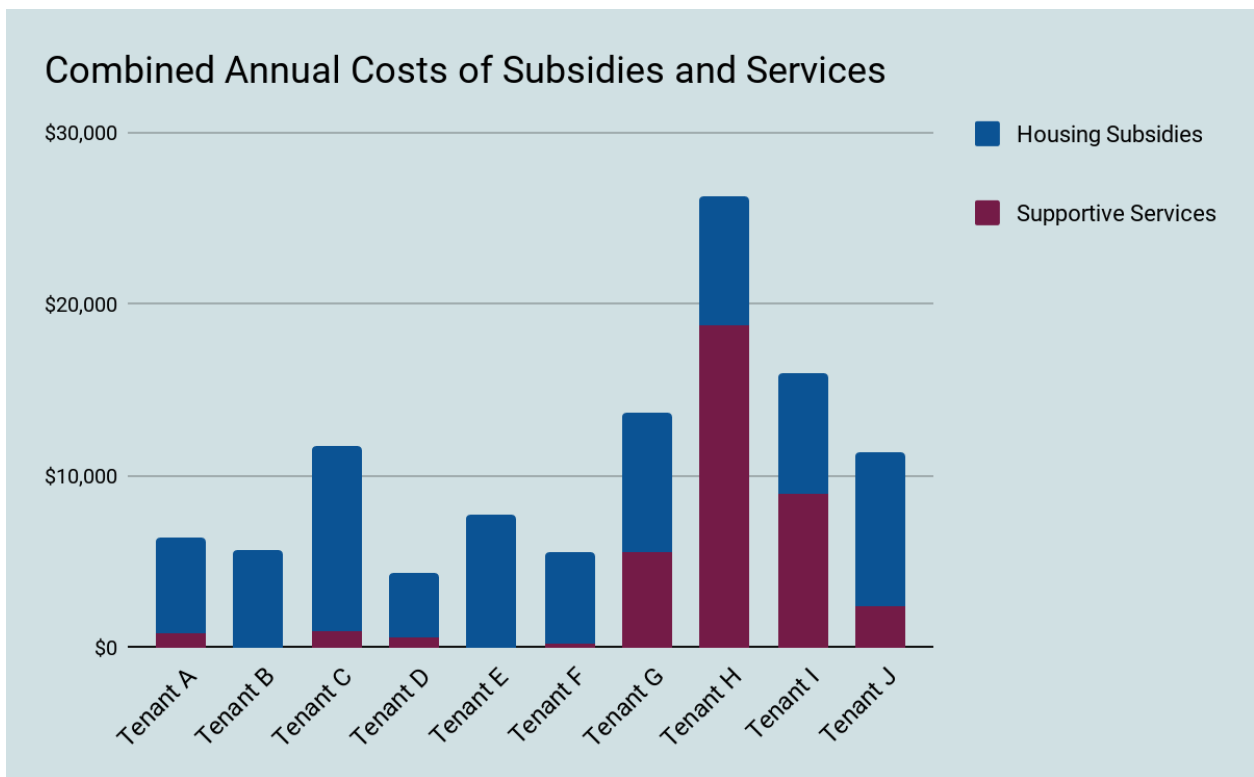
Results



Part II - Supportive Services

- The average annual cost of supportive services for all 10 Former Long Term Stayers is \$3,835.84.
- For Tenants A-E with less than 20 years of homelessness, the average annual cost of supportive services is \$484.80.
- For Tenants F-G with more than 20 years of homelessness, the average annual cost is \$7,186.87

Results



Part III - Combined Costs (Housing Subsidies with Support Services)

- The average annual combined cost for all 10 Former Long Term Stayers is \$10,887.10.
- The average combined cost for tenants with less than 20 years of homelessness is \$8,306.18.
- The average combined cost for tenants with 20 plus years of homelessness is \$14,574.07.

Discussion

This research highlights the relationship between one's length of homelessness and how it can affect the cost of supportive housing, suggesting that the longer an individual experiences homelessness, the higher the cost will be after housing. However, as previous research has shown, there is a substantial cost savings for housing someone as opposed to letting them languish in homelessness. This research is not contradicting that finding, rather providing information to show the importance of providing supportive housing for individuals experiencing homelessness much sooner, rather than later.



Because some of the research was based on self-reporting, some individuals may have chosen to withhold information about the amount of services they have actually received since housing. Furthermore, some may need more or less services than they are currently receiving/can access. In doing this research, it was discovered that there is very little outreach happening at Danforth on High, bringing into question if more outreach is necessary. However, on the surface, and throughout the interviews conducted, it appears that for the majority of people, the amount of services they received met their needs fairly well.

There are a number of potential reasons why the group who had experienced more than 20 years of homelessness is costlier than the group who had a shorter history of homelessness. While the cost of housing subsidies for the group that had experienced less than 20 years of homelessness was only slightly lower than those who had experienced a longer history of homelessness, the cost of supportive services was much higher. This may not be surprising to some, but it emphasizes the importance of ending one's homelessness sooner rather than later. In talking with people over the course of this research project, it came to light that most of the people in this group had struggled with either Substance Use Disorder, mental health disorders, or both. Because services and outreach are greatly lacking for those who struggle with co-occurring disorders, they are the ones who tend to end up being Long Term Stayers or chronically homeless. The costliest tenant (due to the cost of supportive services) appeared to be the one with the most severe mental health needs who had also been homeless for about 20 years. However, further research would need to be conducted to investigate not only the relationship between length of homelessness and cost, but additionally between cost and mental health/Substance Use Disorder.

Another probable reason for the higher costs for longer lengths of homelessness experienced, is that once a person has been homeless for nearly half of his or her life, he or she becomes accustomed to it; it is all they know. There is a routine of checking in and out of a shelter at a certain time, eating at the soup kitchen at a certain time, having resources and staff members available, and the constant chaos of other people. Obtaining housing can seem a long way off for Long Term Stayers, but it is necessary, and for some, a life-saving event. However, leaving a semi-institutional way of life, to life in an apartment on your own can be challenging and daunting. Supportive services can help ease this process, but as this research has shown, the less time a person is homeless, which means less time spent desensitized to life outside of a shelter, the greater his or her functional capacity once housed. Furthermore, this not only benefits the individual greatly, but the sooner people can be transitioned out of homelessness, the less costly they will be for the systems of care.

Conclusion



Housing First and the Long Term Stayers Initiative are important steps towards decreasing the length of time someone is homeless, and simultaneously decreasing the costs of supportive, and/or inclusive housing. An Inclusive Housing model such as Danforth on High seems to benefit a wide range of former Long Term Stayers well, with the average annual cost per person being \$10,887.10, and could be used as a model for other housing developments in Portland.

Ultimately however, each individual is unique and there is not one general solution for everyone. It is important to consider a person's history, his or her mental and physical health, and for how many years he or she has been homeless.

There are a few different points that can be made to conclude this research. Firstly, the average annual cost of housing a Long Term Stayer is not incredibly costly in the grand scheme of things. Secondly, the sooner people are housed, the less they will cost in the long run (after housing). Additionally, more follow-up research should be done to ensure tenants are receiving the right amount of support and to investigate the link between mental health/substance use disorder and cost. Last but not least, people should be housed not only because of the cost savings associated with housing versus languishing in homelessness, but more importantly because they are people, who deserve to have a place of their own, and because no one should have to live in and out of shelters for more than half of their life.

Sources

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⁹ Salaries were obtained either from the organizations themselves or averages were compiled from sources such as indeed.com and neuvo.com.